CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 19, 1999

H.R. 2
Student Results Act of 1999

As reported by the House Committee on Education and the Workforce on October 18, 1999

SUMMARY

Programs under the Elementary and Secondary Education Act of 1965 (ESEA) are authorized through 2000 under the General Education Provisions Act (GEPA). H.R. 2 would extend the authorization of many of these programs through 2004. The bill would revise and increase the authorization levels for programs that support disadvantaged students (known as Title I programs), magnet schools, gifted and talented students, and homeless youth while maintaining or slightly reducing authorization levels for Native Indian and Alaska Native programs. H.R. 2 would also repeal two existing programs, the Women's Education Equity Program and Education for Native Hawaiians. In addition, H.R. 2 would revise the authorization of education programs provided through the Bureau of Indian Affairs within the Department of the Interior and extend the authorizations for those that expired in 1999. Authorizations under the bill relative to current law would total about $1 billion in 2000 and about $41 billion over the 2000-2004 period. CBO estimates that appropriations of the authorized levels would result in additional outlays of $27.7 billion over the 2000-2004 period, relative to estimated spending under current law. Enacting H.R. 2 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

The reauthorization of programs under H.R. 2 would provide for grants to state and local education agencies and tribal governments to assist target student populations to meet state performance standards. One provision of the bill would preempt certain state laws relating to teacher liability. Such a preemption would be a mandate as defined by the Unfunded Mandates Reform Act (UMRA). However, CBO estimates that the costs, if any, would not exceed the threshold in that act ($50 million in 1996, adjusted annually for inflation). Any other costs incurred by state, local, or tribal governments would result from complying with conditions of aid. H.R. 2 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2 is shown in Table 1. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

TABLE 1. ESTIMATED BUDGETARY EFFECTS OF H.R. 2

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION					
With Adjustments For Inflation					
Spending Under Current Law					
Budget Authority/Authorization Level [a]	8,959	6,862	601	615	628
Estimated Outlays	8,665	8,588	3,129	1,030	620
Total Proposed Changes					
Estimated Authorization Level	1,017	9,706	9,895	10,098	10,298
Estimated Outlays	55	1,159	7,070	9,417	10,038
Total Spending Under H.R. 2					
Estimated Authorization Level	9,977	16,568	10,495	10,713	10,926
Estimated Outlays	8,721	9,747	10,199	10,447	10,659
Without Adjustments For Inflation					
Spending Under Current Law					
Budget Authority/Authorization Level [a]	8,959	6,723	575	575	575
Estimated Outlays	8,659	8,501	3,079	992	575
Total Proposed Changes					
Estimated Authorization Level	1,017	9,515	9,504	9,500	9,499
Estimated Outlays	55	1,149	6,926	9,086	9,502
Total Spending Under H.R. 2					
Estimated Authorization Level	9,977	16,238	10,079	10,074	10,074
Estimated Outlays	8,714	9,650	10,005	10,077	10,076

Note: Components may not sum to totals because of rounding.

a. The level shown for 2000 includes about $6 billion that had already been appropriated and about $3 billion that CBO estimates is authorized under current law.

BASIS OF ESTIMATE

H.R. 2 would reauthorize funding through 2004 for various programs created under ESEA. These programs, which would have expired in 1999 had not the automatic one-year extension provided under GEPA applied, would generally be reauthorized at specific levels for 2000 and for such sums as may be necessary for 2001 through 2004. CBO estimates that the bill would increase authorized levels by $1 billion in 2000 and by $41 billion over the 2000-2004 period assuming that "such sums" amounts provided after 2000 are adjusted for inflation. If the authorized amounts are appropriated, H.R. 2 would increase outlays relative to current law by $55 million in the first year and by $27.7 billion over the five-year period. Without inflationary adjustments, the increased authorizations would result in outlays of $26.7 billion over the five years.

As of the date of this estimate, no full-year appropriations for 2000 have been enacted for the ESEA programs. CBO inflates the 1999 appropriations for the ESEA programs to estimate their authorized levels under the GEPA extension for 2000, and these are the amounts against which CBO estimates the costs of H.R. 2. A detailed breakout of the estimated costs is provided in Table 2.

In addition to the reauthorizations, H.R. 2 would repeal certain programs, create several new ones, and alter the allocation formulas in several others.

Title I: Student Results

H.R. 2 would reauthorize and revise Parts A, C, D, and F of Title I of ESEA and introduce a new School Reform Program under the same title. The legislation does not address Part B, the Even Start Family Literacy Program, or Part E, the Federal Evaluations and Demonstrations Program**.**

Current Law. Title I of ESEA was enacted in 1965 to provide funding support for education programs for disadvantaged student populations. Part A of the current program focuses on low-income students, with 85 percent of funds providing basic grants to states based on the number of qualifying students and the remaining 15 percent used for concentration grants to support schools in counties with high poverty rates. Another targeted grant program is authorized to provide additional grants that would increase in proportion to the number of children in poverty, but this program has not been funded. Under Part B, states receive grants to provide for the educational needs of children of migrant workers while programs funded under Part C serve neglected and delinquent youth. Part F addresses general program provisions such as rulemaking guidelines and allowances for administrative set-asides.

TABLE 2. DETAILED BUDGETARY EFFECTS OF H.R. 2, WITH ADJUSTMENTS FOR INFLATION

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION					
Spending Under Current Law					
Budget Authority/Authorization Level	8,959	6,862	601	615	628
Estimated Outlays	8,665	8,588	3,129	1,030	620
Proposed Changes					
Title I - Student Results					
Basic Program					
Estimated Authorization Level	630	8,522	8,702	8,890	9,070
Estimated Outlays	32	836	6,132	8,263	8,834
State Administrative Fund					
Estimated Authorization Level	10	10	10	11	11
Estimated Outlays	1	7	10	10	11
Capital Expense Account					
Estimated Authorization Level	-9	15	5	0	0
Estimated Outlays	a	-5	8	7	2
Children of Migrant Workers					
Estimated Authorization Level	43	408	417	426	435
Estimated Outlays	2	49	297	396	423
Neglected or Delinquent Youth					
Estimated Authorization Level	9	51	52	53	54
Estimated Outlays	a	9	38	50	53
Comprehensive School Reform					
Estimated Authorization Level	175	179	182	186	190
Estimated Outlays	9	123	169	181	185
Miscellaneous Reports					
Estimated Authorization Level	a	0	0	0	0
Estimated Outlays	a	0	0	0	0
Subtotal, Title I					
Estimated Authorization Level	859	9,185	9,369	9,566	9,760
Estimated Outlays	43	1,017	6,653	8,907	9,508
Title II - Magnet Schools Assistance and School Choice					
Magnet School Program					
Estimated Authorization Level	14	122	125	128	130
Estimated Outlays	1	15	89	119	127
Women's Educational Equity					
Estimated Authorization Level	-3	0	0	0	0
Estimated Outlays	a	-2	-1	a	0

Continued

TABLE 2. Continued

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
Innovative School Choice Program					
Estimated Authorization Level	20	20	21	21	22
Estimated Outlays	1	14	19	21	21
Subtotal, Title II					
Estimated Authorization Level	31	143	146	149	152
Estimated Outlays	2	27	108	140	148
Title IV - Indian, Native Hawaiian, and Alaska Native Education					
Indian Education Grants					
Estimated Authorization Level	-1	63	65	66	67
Estimated Outlays	a	7	51	63	66
Special Programs and National Activities					
Estimated Authorization Level	a	4	4	4	4
Estimated Outlays	a	a	3	4	4
Native Hawaiian					
Estimated Authorization Level	-20	0	0	0	0
Estimated Outlays	-1	-13	-5	-1	0
Alaskan Native					
Estimated Authorization Level	a	10	10	11	11
Estimated Outlays	a	a	7	10	11
Bureau of Indian Affairs Early Education Program					
Estimated Authorization Level	10	10	10	11	11
Estimated Outlays	3	10	10	10	11
Tribal Departments					
Estimated Authorization Level	2	2	2	2	2
Estimated Outlays	1	2	2	2	2
Administrative Cost Grant Minimum					
Estimated Authorization Level	1	1	1	1	1
Estimated Outlays	a	1	1	1	1
Funding Adequacy Study					
Estimated Authorization Level	a	0	0	0	0
Estimated Outlays	a	0	0	0	0
Subtotal, Title IV					
Estimated Authorization Level	-9	91	93	95	97
Estimated Outlays	3	7	69	90	95

Continued

TABLE 2. Continued

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
Title V - Gifted and Talented Children					
Gifted and Talented Program					
Estimated Authorization Level	3	10	10	10	10
Estimated Outlays	a	4	9	10	10
National Center for Research and Development					
Estimated Authorization Level	2	2	2	2	2
Estimated Outlays	a	2	2	2	2
Subtotal, Title V					
Estimated Authorization Level	5	12	12	12	12
Estimated Outlays	1	5	11	12	12
Title VI - Rural Education Assistance					
Formula Grants					
Estimated Authorization Level	63	119	119	119	119
Estimated Outlays	3	47	99	116	119
Competitive Grants					
Estimated Authorization Level	63	119	119	119	119
Estimated Outlays	3	47	99	116	119
Subtotal, Title VI					
Estimated Authorization Level	125	238	238	238	238
Estimated Outlays	6	93	198	232	238
Title VII - McKinney Homeless Education Improvements					
Estimated Authorization Level	7	37	38	38	39
Estimated Outlays	1	9	31	37	38
Total of Proposed Changes					
Estimated Authorization Level	1,017	9,706	9,895	10,098	10,298
Estimated Outlays	55	1,159	7,070	9,417	10,038
Total Spending Under H.R. 2					
Estimated Authorization Level	9,977	16,568	10,495	10,713	10,926
Estimated Outlays	8,721	9,747	10,199	10,447	10,659

Note: Components may not sum to totals because of rounding.

a. Less than $500,000.

The allocation of state funding for each of these grant programs is determined by formula, and states must apply for grant money. Historically, the appropriated amounts for these programs have been significantly less than what unconstrained funding of the formula would require. When funds are insufficient to implement a formula, the Secretary of Education is directed to allocate the appropriated amount by reducing the formula-driven grants by a consistent percentage across all recipients.

When last reauthorized in 1994, Title I programs adopted a standards-based emphasis, requiring states to design standards and implement assessments by academic year 2000. Schools were required to develop standards, and provisions were introduced by which schools could be identified for school improvement. Corrective actions were established for low-performing schools and schools were able to participate in a school choice program among other Title I schools.

Basic Program. H.R. 2 would reauthorize the Basic, Concentration, and Targeted Grant Programs under Part A of Title I for five additional years or four years beyond their GEPA authorization. The bill would authorize the appropriation of $8.35 billion for fiscal year 2000, a $630 million increase from CBO's projection under current law (that is, assuming an inflation adjustment to the 1999 level). The legislation would require that 50 percent of any increase in subsequent appropriations above the 1999 level be used to fund the Targeted Grant Program. A similar provision exists in current law in reference to increases above 1995 levels, but funds have never been appropriated for these targeted grants.

H.R. 2 would revise the current limit on states' use of Title I funds for administrative needs. Currently, states are allowed a 1 percent set-aside of Title I funds under Parts A, C, and D. H.R. 2 would reauthorize the 1 percent set-aside only up to the 1999 funding level. The bill would authorize an additional $10 million for state administrative costs. The legislation would also impose a ceiling of 50 percent on the percentage of total state administrative costs that can be derived from federal funds.

H.R. 2 would also place new restrictions on the use of Title I funds for hiring teachers aides and paraprofessionals. It would establish educational criteria for new and existing paraprofessionals and restrict the duties they can be assigned.

The bill would introduce two new programs under Part A. Under the Academic Achievement Awards Program, states could use Title I funds to reward schools that have made progress toward meeting their assessment goals. States would be allowed to set aside up to 30 percent of those funds in excess of their 1999 allotments. H.R. 2 would also introduce a new school choice program to give students at schools that are identified for improvement the option to attend other public schools. Unlike the existing school choice program under Title I, the new program would be mandatory for schools that are identified for school improvement. These schools would be given 18 months to develop and implement a choice plan for all of their students and would be required to continue to offer the plan for three years after such distinction is removed.

H.R. 2 also would expand activities and access to existing programs under Part A. Under the existing school choice program, the bill would authorize the use of Title I funds to cover transportation expenses and transfers to non-Title I schools. H.R. 2 would allow more schools to adopt a school-wide approach to administering Title I services. Currently schools are eligible to use the school-wide approach only if 50 percent or more of their students meet the poverty-level criteria. H.R. 2 would lower the poverty level requirement to 40 percent.

The bill would expand on Title I's standards-based approach by requiring states to report their progress toward meeting the achievement goals. States may disseminate this information via state report cards or through other means such as posting their results on the Internet.

Under current law, Title I authorizes a capital expense account to ensure that Title I services to private school children are administered in neutral settings. In response to the 1997 Supreme Court ruling that overturned this requirement, H.R. 2 would phase out funding over three years, authorizing $15 million for 2000, $15 million for 2001, and $5 million for 2002. The 2000 level represents a $9 million decrease in the level currently authorized.

Migrant Education Program. H.R. 2 would extend the authorization of Part C grants for education programs for children of migrant workers through 2004. The authorized 2000 level of $400 million would be a $43 million increase from the estimate of current-level spending. H.R. 2 would further modify these programs to increase funding specifically designated for interstate and intrastate coordination of programs for children of migrant workers. The bill would increase the amount the Secretary can reserve for these purposes from $6 million to $10 million. Of this reserved amount, H.R. 2 would double, from $1.5 million to $3 million, the authorized set-aside for awarding grants to states that enter into interstate consortiums to carry out Part C programs.

For 2000, states would receive grants equal to the number of eligible children served times the appropriate per pupil amount. However, the amount authorized for 2000 would not fully fund the program, and the Secretary would be required to reduce the amount each state would receive. Each state's grant for the remaining four years would be based on the state's allotment in 2000.

Education for Neglected or Delinquent Youth. H.R. 2 would extend the authorization of Title I-Part D grants for education programs for neglected or delinquent youth. The authorized level of $50 million for 2000 is $9 million higher than the estimated level under current law. Within the reauthorization, the bill would also focus on facilitating the transition of students from state-operated facilities back to local schools by increasing the set-aside for transition services from 10 percent to 15 percent of total funds. H.R. 2 would add a requirement that state applications include a plan for state and local agency coordination.

Comprehensive School Reform. H.R. 2 would authorize $175 million for a new Comprehensive School Reform Grant Program. The grants would be allocated among eligible states in proportion to the amounts received under the basic grant formula. Grants are to be awarded to local education agencies to support comprehensive school reform based on scientific research, with priority given to plans that implement Title I goals. To qualify, states would be required to demonstrate how funds would be allocated and how program success would be tracked. CBO assumes funds under this program would be spent at the same rate as the rest of the Title I funding.

General Provisions. H.R. 2 would revise the general provisions section under Title I. It would require states and localities to modify their accounting practices to accommodate fund consolidation for school-wide programs. It also would direct the Secretary to establish rulemaking procedures for academic accountability and assessments as well as for criteria for paraprofessionals. Finally, it would require the General Accounting Office (GAO) to conduct four studies on the issues of paraprofessionals, electronic transfer of records for migratory students, the impact of newly enacted flexibility on Title I, and the portability of Title I funds. Based on information provided by GAO, CBO estimates the total cost of these studies to be less than $500,000.

Title II - Magnet Schools Assistance and School Choice

Currently, Title V of ESEA authorizes three programs designed to promote educational equity. Part A of Title V authorizes grants to support magnet schools. Magnet schools offer a unique curriculum to attract students from outside the school's neighborhood, and their enrollment policies are generally designed to promote student diversity. Part A also authorizes innovative program grants to fund approaches to educational equity other than magnet schools. Part B of Title V authorizes the Women's Educational Equity Program (WEEP) established in 1974 to assist states in meeting the requirements of Title IX of the Education Amendments of 1972. Grants are made to states and localities for gender equity programs; the program also funds research efforts. The Assistance to Address School

Dropout Problems Program is authorized under Part C but is currently an unfunded authorization.

Title II of H.R. 2 would continue to authorize grants under Part A to qualifying magnet school programs, but it would discontinue the authorization of innovative program grants for nonmagnet programs. However, under the reauthorization of Part A, current recipients of innovative program grants would continue to receive funding for the remainder of their three-year grant period. H.R. 2 would authorize $120 million for 2000 for all of Part A, an increase of $14 million over the current-law estimate.

Title II of H.R. 2 would establish a new Title V competitive grant program similar to innovative programs grants, which would be discontinued. The new program would encourage innovative school choice models as alternatives to magnet and charter schools. Local Educational Agencies (LEAs) and State Educational Agencies (SEAs) could apply for grants to demonstrate, develop, and implement programs such as satellite schools at parents' work sites, partnerships with institutions of higher education, or other programs that promote equal access to quality education. Funds received under this program could neither supplant nor supplement funding for charter or magnet schools. H.R. 2 would authorize $20 million in 2000 and such sums as may be necessary for the following four years. The program is similar in structure to existing competitive grant programs and CBO's estimate reflects a standard spending rate for such programs.

Title II would repeal both the WEEP and the dropout assistance programs.

Title IV - Indian, Native Hawaiian, and Alaska Native Education

Under Title IX of ESEA, the Department of Education is authorized to provide education funding for Native Indian, Native Hawaiian, and Alaska Native students. Part A funds formula grants to LEAs, educational improvement initiatives within the Special Programs for Indian Children, and the National Research Activities program. Part A also authorizes an Adult Indian Education Program which has not been funded. Part B grants support curriculum development, professional training, and educational centers that promote the Native Hawaiian language and culture. Part C addresses the unique difficulties posed by geographical barriers of educating Alaska Natives by providing support for home-based schooling and programs to improve overall educational quality for this population.

The Bureau of Indian Affairs (BIA) within the Department of the Interior also provides educational assistance to Native Indian children. BIA currently operates 185 tribal schools as authorized under Title XI of the Education Amendments of 1978. Several of these schools are home-living schools that serve students with exceptional needs. The Indian Self-Determination and Education Assistance Act authorized the BIA to transfer school management authority to tribal agencies via contracts.

The majority of BIA funding supports the Indian School Equalization Program (ISEP) grants to BIA-operated and contract schools and administrative cost grants to assist operation of contract schools. The ISEP formula considers the unique needs and grades served by each school to determine the proportion of available funds that each school receives. In addition, BIA supports an Early Childhood Development Program and the establishment of Tribal Departments of Education as authorized under Title XI.

Authorization for these last two programs expired in 1999 and GEPA extensions do not apply to programs under the Department of the Interior. All other BIA programs are permanently authorized under the Snyder Act of 1921(Public Law 65-85).

Native Indian and Alaska Native Education Programs. H.R. 2 would reauthorize Parts A and C of Title IX of ESEA. For fiscal year 2000, it would authorize $62 million for Indian Education Grants and $4 million for 2000 for the Special Children's and National Activities programs combined under Part A. For the 2001-2004 period, these authorizations are for such sums as may be necessary. H.R. 2 would authorize $10 million for 2000 to continue the Native Alaskan education program and such sums as may be necessary for the following four years. H.R. 2 would introduce a limit of 5 percent on the percentage of Part A funds states can use for administrative purposes.

H.R. 2 would allow schools receiving funds both under Part A and through the BIA to consolidate such funds through an inter-agency transfer. Schools would be required to submit a plan demonstrating how programs funded by each agency would be integrated. The Department of the Interior would be the lead agency for contract schools and the Department of Education would oversee funding for BIA-operated schools.

H.R. 2 would repeal the authorizations for several unfunded programs under the Special Programs for Indian Children section of Part A, including funding for Indian Fellowships, Gifted and Talented, and Administrative Planning Grants programs. The Adult Indian Education Program would also be repealed.

H.R. 2 would repeal the authorization for all of Part B, the Native Hawaiian Education Program.

Bureau of Indian Affairs Programs. Since BIA programs are permanently authorized at such sums as may be necessary, CBO assumes continued funding of these programs at their 1999 levels adjusted for projected inflation.

As mentioned above, the Early Childhood Development Program and the Tribal Departments of Education are exceptions, as their authorizations terminated in 1999. CBO assumes no funding for these programs as of 2000. H.R. 2 would reauthorize both of these programs for an additional five years. It would authorize $10 million for the early childhood development and $2 million for tribal departments in 2000.

Title IV would also establish a minimum funding level for administrative cost grants to BIA-run schools. Based on such payments made to individual schools in 1999, CBO estimates this would increase costs by approximately $1 million in each of the five years.

Title IV would expand the services authorized for home-living schools to include therapeutic services. It would require the Secretary of the Interior to include therapeutic services in the list of programs for consideration when restructuring the ISEP grant formula. Because the formula affects the allocation of funding subject to total appropriations, CBO does not assume any net budgetary impact. However, this provision would result in a redistribution of funds toward home-living schools.

Title IV would direct GAO to conduct a study to determine the adequacy of the funding formulas used by the BIA. CBO estimates this study would cost less that $250,000.

Title V - Gifted and Talented Children

Part B of Title X of ESEA authorizes competitive grants to states for programs that identify and challenge gifted and talented students. Half of all grants must address targeting such students through nontraditional assessments. It also authorizes the National Center for Research and Development in the Education of Gifted and Talented Children and Youth.

Title V of H.R. 2 would reauthorize the current grant program through 2004. It would authorize $10 million for 2000—a $3 million increase from the 1999 funding level, adjusted for inflation—and such sums as necessary thereafter. The bill would also continue the National Center for Research and Development, providing a separate authorization of $1.95 million for each of the next five years.

In addition, title V would add a provision to replace the current competitive grant program with formula grants once the appropriation level reaches $50 million. Because we estimate authorization levels less than $50 million for each of the next five years, CBO assumes that this new program would not take effect within the authorization period.

Title VI - Rural Education Assistance

Part J of Title X of ESEA authorizes the Urban and Rural Education Assistance Program to provide additional funding to support the special needs of these populations. The program has received no funding for either rural or urban assistance.

Title VI of H.R. 2 would repeal the existing authorization and authorize a rural education system in its place. The program would consist of two parts: a formula grant program for small rural LEAs, and a competitive grant program for larger rural schools that serve high-poverty populations.

For both parts, rural schools are defined as schools that exist in a county with a Beale Code of 6, 7, 8, or 9. The Beale Codes were established by the Department of Agriculture to designate counties along an urban-rural continuum. The scale ranges from 0 to 9, with zero being the most urban designation and nine the most rural. Rural designations for school districts have traditionally been based on other standards.

Title VI of H.R. 2 would authorize the total amount appropriated for this program to be split evenly between the two parts. It would authorize a total sum of $125 million for 2000 and such sums as may be necessary thereafter. Because of the requirement that both parts receive equal funding, CBO assumes the cost of each part to be $62.5 million for 2000. For the remaining years, CBO estimates full funding of part I and sets part II-funding equal to that amount.

CBO's estimate of full funding for part I grants for 2001 through 2004 is based on the number of rural students less the combined funding level under five existing programs. Each eligible LEA is guaranteed a minimum award of $20,000. For each eligible student above 50, the LEA is eligible for an additional $100. This amount is reduced by the sum of funds received under the programs for Eisenhower Professional Development Grants, Safe and Drug Free Schools, Innovative Education Program Strategies, Bilingual and Immigrant Education, and 21st Century Community Learning Centers. The maximum any LEA can receive is $60,000.

Using the Department of Agriculture Beale Codes, 1997-98 enrollment data from the Department of Education's common core of data, and enrollment and average daily attendance projections from the National Center for Education Statistics, CBO estimates the annual cost of part I to be $119 million. CBO's estimate does not include a reduction in grant amounts for funding under the current programs. None of these programs are currently authorized beyond 2000 or are addressed in this bill. If such programs were to be authorized in separate legislation, that would significantly lower the estimated costs for this part. Moreover, the estimated costs for part II would be equally reduced.

Title VII - McKinney Homeless Education Improvements Act of 1999

The Stewart B. McKinney Homeless Assistance Act provides assistance for homeless adults and youth. Part A authorizes programs for homeless adults. Part B authorizes the Education for Homeless Children and Youth Program.

Title VII of H.R. 2 would reauthorize Part B of the McKinney Act, authorizing $36 million for 2000 and such sums as may be necessary for 2001 through 2004, a $7 million increase over the 1999 level, adjusted for inflation.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2 would reauthorize certain sections of the Elementary and Secondary Education Act of 1965, which provide both formula and discretionary grants to state and local education agencies and tribal governments to support their efforts in improving educational opportunities and performance for specific populations of students. In general, any costs to state, local, or tribal governments as a result of enactment of this bill would be incurred voluntarily, as conditions of aid.

Title III of the bill, the Teacher Liability Protection Act, would preempt state laws that prevent or restrict liability protection for teachers. Such a preemption of state law would be a mandate as defined by UMRA, but CBO estimates that costs, if any, to state, local, or tribal governments as a result of the mandate would not exceed the threshold as defined in that act ($50 million in 1996, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no private-sector mandates as defined in UMRA.

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